

Office of Congressman Charles W. Dent
Proudly Representing Pennsylvania's 15th District



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Congressman Dent votes for reduction in student-loan interest rates

WASHINGTON, D.C.—U.S. Rep. Charlie Dent (PA-15) voted for the College Student Relief Act, H.R. 5, on 17 January 2007, which will decrease the interest rates of student loans from 6.8 percent to 3.4 percent over the next five years.

“Cutting the interest rates on student loans in half will provide relief for the students and families who depend on loans to finance a college degree,” Congressman Dent said. “As we continue to face a more competitive global economy, higher education must be affordable and accessible for all students in this country.”

HR 5 cuts the interest rates of subsidized loans going to undergraduate students in half over a five year phase-in period. The schedule for the incremental phase down of interest rates is:

- July 1, 2007 – July 1, 2008—fixed rate of 6.12 percent;
- July 1, 2008 – July 1, 2009—fixed rate of 5.44 percent;
- July 1, 2009 – July 1, 2010—fixed rate of 4.76 percent;
- July 1, 2010 – July 1, 2011—fixed rate of 4.08 percent;
- July 1, 2011 – January 1, 2012—fixed rate of 3.4 percent.

“Although decreasing interest rates is an important step in bringing financial relief to students, we must ensure students are able to access the

financial resources necessary to fulfill the ever-increasing tuition rates at our colleges and universities,” said Congressman Dent.

In 2006, Congressman Dent supported the Deficit Reduction Act (P.L. 109-171) which provided funding for the Academic Competitiveness and the Science Mathematics Access to Retain Talent (SMART) grant programs, decreased student loan fees from four percent to just one percent, as well as increased first-year Stafford loan limits from \$2,625 to \$3,500 and second-year Stafford loan limits from \$3,500 to \$4,500.

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